SEC Memorandum Circular No.15

Series of 2001

To : All Concerned

Subject : Board Meeting Through Teleconferencing or Videoconferencing (Tele/Video Conferencing)

In relation to Section 16 of the Electronic Commerce Act (R.A. 8792) and Section 25 of the Corporation Code of the Philippines (BP68) the following are the guidelines for the conduct of teleconferencing and videoconferencing (i.e. conferences or meetings through electronic medium or telecommunications where the participants who are not physically present are located at different local or international places) of the Board of Directors for the information and guidance of all concerned:

1. The Secretary of the meeting shall assume the following responsibilities:

a. to safeguard the integrity of the meeting via tele/videoconferencing

b. to find good tele/videoconference equipment/facilities

c. to record the proceedings and prepare the minutes of the meeting

d. to store for safekeeping and mark the tape recording/s and/or other electronic recording mechanism as part of the records of the corporation

2. The Secretary shall send out the notices of the meeting to all directors in accordance with the manner of giving notice as stated in the corporate by-laws.

3. The notice shall include the following:

a. Inquiry on whether the director will attend physically or through tele/videoconferencing;

b. Contact number/s of the Secretary and office staff whom the director may call to notify and state whether he shall be physically present or attend through tele/videoconferencing;

c. Agenda of the meeting;

d. All documents to be discussed in the meeting, including attachments, shall be numbered and duly marked by the Secretary in such a way that all the directors, physically or electronically present, can easily follow, refer to the documents and participate in the meeting.

4. If the director chooses tele/videoconferencing, he shall give notice of at least five days prior to the scheduled meeting to the Secretary. The latter shall be informed of his contact number/s. In the same way, the Secretary shall inform the director concerned of the contact number/s he will call to join the meeting. The Secretary shall keep the records of the details, and on the date of the scheduled meeting, confirm and note such details as part of the minutes of the meeting.

5. In the absence of an arrangement, it is presumed that the director will physically attend the Board meeting.

6. At the start of the scheduled meeting, a roll call shall be made by the Secretary. Every director and participant shall state, for the record, the following:

a. Full Name

b. Location

c. For those attending through tele/videoconferencing, he shall confirm that:

i. he can completely and clearly hear the others who can clearly hear him at the end of the line

ii. state whether he has received the agenda and all the materials for the meeting

iii. specify type of device used

Thereafter, the Secretary shall confirm and note the contact numbers being used by the directors and participants not physically present. After the roll call, the Secretary may certify the existence of a quorum.

7. All participants shall identify themselves for the record, before speaking and must clearly hear and/or see each other in the course of the meeting. If a person fails to identify himself, the Secretary shall quickly state the identity of the last speaker. If the person speaking is not physically present and the Secretary is not certain of the identity of the speaker, the Secretary must inquire to elicit a confirmation or correction.

If a motion is objected to and there is a need to vote and divide the Board, the Secretary should call the roll and note the vote of each director who should identify himself.

If a statement of a director/participant in the meeting via tele/videoconferencing is interrupted or garbled, the Secretary shall request for a repeat or reiteration, and if need be, the Secretary shall repeat what he heard the director/participant was saying for confirmation or correction.

8. The Secretary shall require all the directors who attended the meeting, whether personally or through tele/videoconferencing, to sign the minutes of the meeting to dispel all doubts on matters taken up during the meeting.

These guidelines shall take effect fifteen (15) days after publication in two (2) newspapers of general circulation.

Mandaluyong City, Philippines.

November 20, 2001.

LILIA R. BAUTISTA
Chairperson